

# Annual Report • 2014

## Medford Food Co-op 2014 Annual Report

*The annual report to the co-op owners is a description of your co-op's performance and highlights from the year. 2014 was a successful year for Medford Food Co-op – we saw steady growth and this spurred a lot of change.*

### Growth

Your co-op grew by 264 new owners in 2014 and there are now about 2600 owners. These owners and other customers are shopping more at the Co-op. In 2014 there was an 11% increase in the number of daily customer transactions and 12.75% increase in sales. See the financial statements at the end of this report for more information.

### Store Improvements

We're working to both accommodate and fuel this growth with improvements throughout the store. A few of the changes we've made include:

- Kombucha on tap – started out with 2 taps in January and now have 6 taps.
- Our own fresh, deli food – started in March of 2014. By March of 2015, monthly sales had more than doubled.
- Replaced the old cheese cooler with two upright, reach-in coolers for cheese and deli food.
- Store branding change that included a logo change, developing a new website, and installing a new street sign. The sign alone has drawn dozens of new customers in!

Working in a store that is growing and changing is exciting & fun! Some days, however, can be challenging. We are fortunate to have an amazing team of people working at the Co-op. They work hard behind the scenes to ensure that the store runs smoothly and you receive excellent service every time you walk in the door.



## Board Development

In 2014, the Board started a process of education and development that began with the implementation of a new system of governance: policy governance. This system has been beneficial in helping the Board define its role, increase its effectiveness, and build a working relationship with the general manager.

A Board initiative to extend some of the owner loans was successful. About one third of the loans were extended. These loans originated in 2010 and 2011 from about 100 individuals who loaned the Co-op money to open a store. Many of the loans mature in 2015. The extensions were a big step for us, because they indicated that the owners who initially invested in the Co-op have confidence in our progress; and they offer us the opportunity to consider expansion much sooner.

## What's Ahead?

Medford Food Co-op is partnering with other organizations and businesses that are supporting the local food economy, especially the production of organic food.

- We are a partner in the Rogue Valley Food System Network – a group of individuals, organizations and businesses working together to strengthen our local food system.
- At this year's Jackson County fair, Access will have an entire exhibit depicting the local food system. We're sponsoring the grocery part of the exhibit.

“Cooperation Among Cooperatives” is one of the seven cooperative principles that define what it means to be a co-op. We have been working with the other Rogue Valley Co-ops (Grange Co-op, Ashland Food Co-op, and Rogue Valley Co-op Credit Union) to combine our efforts to promote co-ops.

The growth in sales and popularity of our prepared deli foods make it clear that this is an area we could expand significantly if we had a commercial kitchen. We want the Co-op to be the place to go in Medford for organic deli foods. We're looking at the feasibility of using the annex for a commercial kitchen and deli area.

Thank you for continuing to support your Co-op so we can bring healthy organic food to Medford, provide a market for local growers and producers, and build a successful business based on the Seven Cooperative Principles.

*Anne Carter*

Anne Carter, General Manager



Financial Statements  
Year Ended December 31, 2014

**Balance Sheet**

	Dec 31, 2014	Dec 31, 2013
<b>Assets</b>		
Current Assets	\$786,936	\$595,447
Property & Equipment	\$239,680	\$254,751
Other Assets	\$5,098	\$1,303
<b>Total Assets</b>	<b>\$1,031,714</b>	<b>\$851,501</b>
<b>Liabilities &amp; Equity</b>		
Current Liabilities	\$125,844	\$140,229
Long Term Debt	\$714,072	\$695,652
<b>Total Liabilities</b>	<b>\$839,916</b>	<b>\$835,881</b>
<b>Equity</b>		
Owner Subscriptions	\$379,778	\$340,588
Loan Payment Reserve	\$269,399	\$100,500
Retained Earnings	-\$594,368	-\$428,840
Net Income	\$136,989	\$3,371
<b>Total Equity</b>	<b>\$191,798</b>	<b>\$15,619</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$1,031,714</b>	<b>\$851,501</b>

**Profit and Loss Statements**

	Jan-Dec 2014	Jan-Dec 2013
Sales	\$3,926,921	\$3,394,251
Cost of Goods	\$2,595,770	\$2,362,841
<b>Gross Margin</b>	<b>\$1,231,151</b>	<b>\$1,031,400</b>
Operating Expenses	\$1,085,809	\$1,000,053
<b>Net Operating Income</b>	<b>\$155,342</b>	<b>\$30,873</b>
Other Income/Expenses	-\$18,354	-\$27,502
<b>Net Income</b>	<b>\$136,989</b>	<b>\$3,371</b>